

Exhibit USAbt-AA

RI Dept of Human Services (John Young)

December 3, 2008

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UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

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In Re: PHARMACEUTICAL INDUSTRY)
AVERAGE WHOLESALE PRICE LITIGATION)

-----X MDL No. 1456

THIS DOCUMENT RELATES TO:) Master File No.
United States of America ex rel.) 01-CV-12257-PBS
Ven-A-Care of the Florida Keys,)
Inc., et al. v. Dey, Inc., et al.,)
Civil Action No. 05-11084-PBS,) Hon. Patti B.
and United States of America ex) Saris
rel. Ven-A-Care of the Florida)
Keys, Inc., et al. v. Boehringer)
Ingelheim Corp., et al., Civil)
Action No. 07-10248-PBS)

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VIDEOTAPED DEPOSITION OF
THE RHODE ISLAND DEPARTMENT OF HUMAN SERVICES

by JOHN YOUNG

Providence, Rhode Island

Wednesday, December 3, 2008

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1 order to be eligible for the federally negotiated
2 rebate arrangement, needed to offer open
3 formularies and as such were then able to claim a
4 rebate based on the units of each drug they had
5 purchased; and that the states -- each state
6 formed its own retail pricing formula that was
7 called out in their State Plan.

8 Q. Have you ever heard the term Estimated
9 Acquisition Cost?

10 A. I have.

11 Q. If you look to the third paragraph --
12 excuse me, under the fourth full paragraph under
13 background there, the first sentence says,
14 "Specifically the regulations state that EAC
15 means the state Medicaid agencies, quote, best
16 estimate of what price providers generally are
17 paying for a drug." Is that your understanding
18 of what the EAC means?

19 A. Yes.

20 Q. If you turn to the page at the upper
21 right-hand side it will say 10.193. Do you see
22 that there?

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1 Q. And let me rephrase that because I
2 realize that there was a change, that the change
3 to WAC occurred before you took over. So if you
4 were to learn that the WAC prices reported by
5 manufacturers were in fact in many instances many
6 times higher than what you have just reviewed in
7 those reports, would that be something that the
8 state understood and accepted when it implemented
9 during your tenure a reimbursement methodology of
10 straight WAC?

11 MS. RANKIN: Objection to the form and
12 foundation.

13 THE WITNESS: I don't believe we ever
14 understood the spread on WAC to be of the
15 magnitude you are describing.

16 BY MS. SMITH:

17 Q. The question is if it were higher, if
18 the magnitude were higher than what you reviewed
19 in Exhibit 16 -- no, I'm sorry, in Exhibit 12,
20 you drew a chart to counsel's attention that
21 reported on a percentage to which WAC did not --
22 the WAC prices reported did not match up with